

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G

W-02205A  
Gadsden Water Company, Inc  
PO Box 519  
Somerton, AZ 85350

RECEIVED

WATER UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-2-07RA

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Gadsden Water Company, Inc</u>			
<b>Mailing Address</b> <u>P.O. Box 519</u>			
<u>Somerton</u> (City)	<u>Arizona</u> (State)	<u>85350</u> (Zip)	
<u>(928) 344-4222</u> Telephone No. (Include Area Code)	<u>(928) 726-3999</u> Fax No. (Include Area Code)	<u>(928) 376-8038</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>LGDEERE@EARTHLINK.NET</u>			
<b>Local Office Mailing Address</b> <u>P.O. Box 519</u>			
<u>Somerton</u> (City)	<u>Arizona</u> (State)	<u>85350</u> (Zip)	
<u>(928) 344-4222</u> Local Office Telephone No. (Include Area Code)	<u>(928) 726-3999</u> Fax No. (Include Area Code)	<u>(928) 376-8038</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>LGDEERE@EARTHLINK.NET</u>			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Jimmy A. Deere</u> <u>President</u>			
<u>(Name)</u>		<u>(Title)</u>	
<u>14781 S. Avenue B</u> (Street)	<u>Yuma</u> (City)	<u>Arizona</u> (State)	<u>85364</u> (Zip)
<u>(928) 344-4222</u> Telephone No. (Include Area Code)	<u>(928) 726-3999</u> Fax No. (Include Area Code)	<u>(928) 376-8038</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>LGDEERE@EARTHLINK.NET</u>			
<b>On Site Manager:</b> <u>Jimmy A. Deere</u>			
<u>(Name)</u>			
<u>14781 S. Avenue B</u> (Street)	<u>Yuma</u> (City)	<u>Arizona</u> (State)	<u>85364</u> (Zip)
<u>(928) 344-4222</u> Telephone No. (Include Area Code)	<u>(928) 726-3999</u> Fax No. (Include Area Code)	<u>(928) 376-8038</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>LGDEERE@EARTHLINK.NET</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Jimmy A. Deere

(Name)

14781 S. Avenue B

(Street)

Yuma

(City)

Arizona

(State)

85364

(Zip)

(928) 344-4222

Telephone No. (Include Area Code)

(928) 726-3999

Fax No. (Include Area Code)

(928) 376-8038

Pager/Cell No. (Include Area Code)

**Attorney:** None

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☒ YUMA

☐ STATEWIDE

**COMPANY NAME**      Gadsden Water Company, Inc

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,221	1,221	Ø
302	Franchises			
303	Land and Land Rights	3,500	Ø	3,500
304	Structures and Improvements	971	970	1
307	Wells and Springs	12,754	11,447	1,307
311	Pumping Equipment	4,593	786	3,807
320	Water Treatment Equipment	3,749	3,170	579
330	Distribution Reservoirs and Standpipes	12,514	6,051	6,463
331	Transmission and Distribution Mains	9,373	9,357	16
333	Services			
334	Meters and Meter Installations	7,396	3,137	4,259
335	Hydrants	639	283	356
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,035	4,845	5,190
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	574	484	90
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>67,319</b>	<b>41,751</b>	<b>25,568</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME**      Gadsden Water Company, Inc

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,221	20%	Ø
302	Franchises			
303	Land and Land Rights	3,500	N/A	Ø
304	Structures and Improvements	971	5%	Ø
307	Wells and Springs	12,754	5%	426
311	Pumping Equipment	4,593	5%	230
320	Water Treatment Equipment	3,749	5%	60
330	Distribution Reservoirs and Standpipes	12,514	5%	587
331	Transmission and Distribution Mains	9,373	5%	Ø
333	Services			
334	Meters and Meter Installations	7,396	5%	371
335	Hydrants	639	5%	32
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	10,035	5%	502
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	574	5%	19
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>67,319</b>		<b>2,227</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

**\*\* This amount differs from calculation due to fully depreciated assets.**

### **BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 7,623	\$ 10,013
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 7,623	\$ 10,013
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 67,319	\$ 67,319
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(39,524)	(41,751)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 27,795	\$ 25,568
	<b>TOTAL ASSETS</b>	\$ 35,418	\$ 35,581

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Gadsden Water Company, Inc

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	227	210
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	38,540	45,379
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 38,767	\$ 45,589
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 38,767	\$ 45,589
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 50,000	\$ 50,000
211	<del>Paid-in Capital in Excess of Par Value</del> <b>Treasury stock</b>	(42,373)	(42,373)
215	Retained Earnings	(10,976)	(17,635)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ (3,349)	\$ (10,008)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 35,418	\$ 35,581

**COMPANY NAME**     Gadsden Water Company, Inc

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 38,812	\$ 40,377
460	Unmetered Water Revenue		
474	Other Water Revenues	6,111	6,338
	<b>TOTAL REVENUES</b>	<b>\$ 44,923</b>	<b>\$ 46,715</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	3,993	4,167
618	Chemicals		
620	Repairs and Maintenance	430	970
621	Office Supplies and Expense	928	1,042
630	Outside Services	22,647	25,381
635	Water Testing	1,295	3,359
641	Rents		
650	Transportation Expenses	8,652	9,837
657	Insurance – General Liability	2,370	1,685
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,845	1,413
403	Depreciation Expense	2,231	2,227
408	Taxes Other Than Income	2,666	267
408.11	Property Taxes	2,945	3,026
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 50,002</b>	<b>\$ 53,374</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (5,079)</b>	<b>\$ (6,659)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(14)	
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ (14)</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (5,093)</b>	<b>\$ (6,659)</b>



**COMPANY NAME**      Gadsden Water Company, Inc

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	\$    0	\$    0	\$    0	\$    0
Amount Outstanding	\$    0	\$    0	\$    0	\$    0
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A    %	N/A    %	N/A    %	N/A    %
Current Year Interest	\$    0	\$    0	\$    0	\$    0
Current Year Principle	\$    0	\$    0	\$    0	\$    0

Meter Deposit Balance at Test Year End                      \$                      0

Meter Deposits Refunded During the Test Year                      \$                      0

<b>COMPANY NAME</b>	Gadsden Water Company, Inc
<b>Name of System</b>	Gadsden Water Co <b>ADEQ Public Water System Number (if applicable)</b> 14037

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
14-037	10	300	180	8	2 X 2	1984

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	1	
7½	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	2,000	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	Gadsden Water Company, Inc		
<b>Name of System</b>	Gadsden Water Co	<b>ADEQ Public Water System Number (if applicable)</b>	14037

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	CL150	6,949 LF
8	CL150	6,403 LF
10	CL150	1,173 LF
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	190
3/4	
1	
1 1/2	1
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

Sentry I Chlorinator	

**STRUCTURES:**

8' X 12' Storage shed	
8' X 10' Control shed	

**OTHER:**


*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME:</b> Gadsden Water Company, Inc
<b>Name of System</b> Gadsden Water Co <b>ADEQ Public Water System Number (if applicable)</b> 14037

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	189	180	191	Ø
FEBRUARY	191	289	301	Ø
MARCH	193	175	189	Ø
APRIL	193	256	270	Ø
MAY	191	370	383	Ø
JUNE	192	410	422	Ø
JULY	191	460	472	Ø
AUGUST	190	413	427	Ø
SEPTEMBER	192	588	601	Ø
OCTOBER	189	296	308	Ø
NOVEMBER	194	212	223	Ø
DECEMBER	192	186	195	Ø
<b>TOTALS →</b>		3,835	3,982	Ø

What is the level of arsenic for each well on your system? Ø mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 15 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☒ Yes                      ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: N/A

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Gadsden Water Company, Inc YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 3,026.54

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

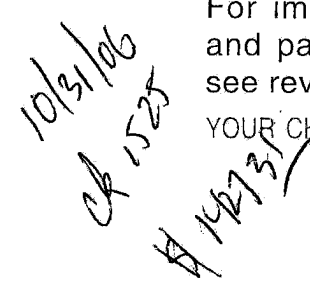
If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

For important information  
and payment instructions,  
see reverse side.

YOUR CHECK IS YOUR RECEIPT

[illegible]

PLEASE SEND ALL PAYMENTS TO: Karen Fritz, Yuma County Treasurer, 410 Maiden Lane Ste. C, Yuma, AZ 85364

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The Yuma County Treasurer mails tax bills to all property owners. **If you have a mortgage on your property and your taxes are paid through an impound account, keep this notice for your records.**

1 T 35 P 144  
7108

For important information  
and payment instructions,  
see reverse side.

YOUR CHECK IS YOUR RECEIPT



44  
08

10/31/06

For important  
and payment  
see reverse

YOUR CHECK IS

1st 1/2

\$ 111.47

ok 1525

**LEGAL DESCRIPTION OF PROPERTY**

ACCOUNT NUMBER  
R0002243

PARCEL IDENTIFICATION  
14-759-14-019-00-8

TAX AREA CODE  
3233

ACCOUNT IS FOR MAP REFERENCE ONLY. PARCEL ASSESSED UNDER ACCOUNT

U000000017 GADSDEN ESTATES SUB LOT 11

## 2006 TAX SUMMARY

2006 TAX SUMMARY	
Primary Ad Valorem Tax	0.00
Less State Aid To Education	0.00
Net Primary Ad Valorem Tax	0.00
Secondary Ad Valorem Tax	0.00
Special District Tax	222.94

TOTAL TAX DUE	222.94
HALF TAX	111.47

SECONDARY PROPERTY TAX CALCULATION						
ITEM	Full Cash Value	ASSMT%	Assessed Value	Exemption	Tax Rate	Ad Valorem Tax
LAND	0	0.00	0	0	3.7104	0.00
BLDGS, ETC.	0	0.00	0	0	3.7104	0.00
PERSONAL PROPERTY	0	0.00	0	0	3.3604	0.00
TOTALS	0		0	0		0.00

<b>2005 - 2006 TAX COMPARISON</b>							
<b>AUTHORITY NUMBER</b>	<b>AUTHORITY NAME</b>	<b>LEVY TYPE</b>	<b>PURPOSE</b>	<b>2006 TAX DISTRIBUTION</b>	<b>2005 TAX DISTRIBUTION</b>	<b>DIFFERENCE</b>	<b>TAX RATE</b>
2884301	GADSDEN TOWNSITE			121.22	.00	121.22	813.5497
2888301	GADSDEN, GADSDEN EST 1 & 2, CH			101.72	.00	101.72	682.7180
<b>TOTALS</b>				222.94	.00	222.94	

**1st Half Year Taxes become delinquent on November 1, 2006 at 5:00 PM, unless the full year tax bill exceeds \$100.00 and the full year is paid by December 31, 2006 (excluding delinquencies that are due November 1, 2006).**

**2nd Half Year Taxes become delinquent on May 1, 2007 at 5:00 PM**

PLEASE SEND ALL PAYMENTS TO: Karen Fritz, Yuma County Treasurer, 410 Maiden Lane Ste. C, Yuma, AZ 85364

# 2005 PROPERTY TAX STATEMENT YUMA COUNTY, ARIZONA



KAREN FRITZ, TREASURER  
410 MAIDEN LANE, STE C  
YUMA, AZ 85364

## THIS IS THE ONLY TAX NOTICE YOU WILL RECEIVE

The Yuma County Treasurer mails tax bills to all property owners. If you have a mortgage on your property and your taxes are paid through an impound account, keep this notice for your records.

\*\*\*\*\*AUTOCR\*\*B-006 1 T 31 P 135  
GADSDEN WATER CO 6833  
C/O JIM DEERE  
PO BOX 519  
SOMERTON AZ 85350-0519

For important information  
and payment instructions,  
see reverse side.

YOUR CHECK IS YOUR RECEIPT



*1st 1/2 pd. 10/27/05*  
*pd 4/27/06*  
*OK 471*

LOCATION ADDRESS	GADSDEN 85336
LEGAL DESCRIPTION OF PROPERTY	
CENTRALLY VALUED PROPERTY ACCOUNT 55-102. PARCELS 102-42-019.	
102-42-020.	
GADSDEN WATER COMPANY	
ACCOUNT NUMBER	U0000017
PARCEL IDENTIFICATION	
TAX AREA CODE	3230

PRIMARY PROPERTY TAX CALCULATION						
ITEM	Limited Value	ASSMT%	Assessed Value	Exemption	Tax Rate	Ad Valorem Tax
LAND BLDGS, ETC.	12,297	25.00	3,074	0	10.9857	249.33
PERSONAL PROPERTY	70,703	25.00	17,676	0	11.4857	2,030.21
TOTALS	83,000		20,750	0		2,279.54

2005 TAX SUMMARY	
Primary Ad Valorem Tax	2,279.54
Less State Aid To Education	0.00
Net Primary Ad Valorem Tax	2,279.54
Secondary Ad Valorem Tax	695.98
Special District Tax	0.00

SECONDARY PROPERTY TAX CALCULATION						
ITEM	Full Cash Value	ASSMT%	Assessed Value	Exemption	Tax Rate	Ad Valorem Tax
LAND	11,125	25.00	2,781	0	3.6523	101.57
BLDGS, ETC.	1,172	25.00	293	0	3.6523	10.70
PERSONAL PROPERTY	70,703	25.00	17,676	0	3.3023	583.71
TOTALS	83,000		20,750	0		695.98

TOTAL TAX DUE	2,975.52
HALF TAX	1,487.76

2004 - 2005 TAX COMPARISON							
AUTHORITY NUMBER	AUTHORITY NAME	LEVY TYPE	PURPOSE	2005 TAX DISTRIBUTION	2004 TAX DISTRIBUTION	DIFFERENCE	TAX RATE
02000	YUMA COUNTY	PRIM		461.45			
02002	SCHOOL EQUALIZATION	PRIM		90.43			
05032	GADSDEN SD#32	PRIM		864.14			
06103	YUHS SD#70	PRIM		472.44			
08150	ARIZONA WESTERN COLLEGE	PRIM		391.08			
14900	YUMA COUNTY LIBRARY	SCND		119.10			
15829	YUMA COUNTY FLOOD CONTROL	SCND		10.76			
65032	GADSDEN SD#32	SCND	CLASS A BONDS	313.01			
66103	YUHS SD#70	SCND	CLASS A BONDS	155.02			
68150	AWC 2003 BOND ISSUE	SCND		42.58			
68154	AWC 2005 BOND ISSUE	SCND		55.51			
TOTALS				2,975.52	2,913.52	62.00	

### DELINQUENT DATES

1st Half Year Taxes become delinquent on November 1, 2005 at 5:00 PM, unless the full year tax bill exceeds \$100.00 and the full year is paid by December 31, 2005 (excluding delinquencies that are due November 1, 2005).

2nd Half Year Taxes become delinquent on May 1, 2006 at 5:00 PM

PLEASE SEND ALL PAYMENTS TO: Karen Fritz, Yuma County Treasurer, 410 Maiden Lane Ste. C. Yuma, AZ 85364



VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

12 CORP COMM  
Director utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Jimmy A. Deere, President</u>
COMPANY NAME <u>Gadsden Water Company Inc</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

~~I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.~~



RJ Deere

SIGNATURE OF OWNER OR OFFICIAL

928-344-4222

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28 TH

DAY OF

COUNTY NAME <u>YUMA</u>	
MONTH <u>MARCH</u>	<u>20 07</u>

(SEAL)

MY COMMISSION EXPIRES

Oct. 26. 07

Rosa Negrete

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Gadsden Water Company Inc YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>( 6,307 )</u>
Estimated or Actual Federal Tax Liability	<u>Ø</u>

State Taxable Income Reported	<u>( 6,307 )</u>
Estimated or Actual State Tax Liability	<u>Ø</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>Ø</u>
Amount of Gross-Up Tax Collected	<u>Ø</u>
Total Grossed-Up Contributions/Advances	<u>Ø</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3-28-07  
DATE

Jimmy A. Deere  
PRINTED NAME

President  
TITLE

RECEIVED

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

ARIZONA CORP COMM  
Director: Utilities

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Jimmy A. Deere, President</u>
COMPANY NAME
<u>Gadsden Water Company Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 49,564.56

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 2,849.43

IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

*Jimmy A. Deere*

SIGNATURE OF OWNER OR OFFICIAL

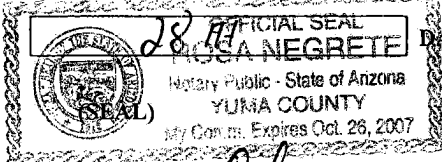
928-344-4222

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	<u>YUMA</u>
MONTH	<u>MARCH</u>
	<u>20 07</u>

MY COMMISSION EXPIRES Oct 26 07

SIGNATURE OF NOTARY PUBLIC

*Rosa Negrete*

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

STATE CORP COMM  
Director Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)		Yuma
NAME (OWNER OR OFFICIAL)	Jimmy A. Deere	TITLE President
COMPANY NAME Gadsden Water Company Inc		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

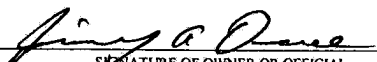
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 49,434.24

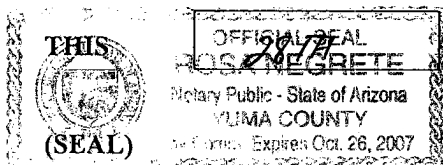
THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2,423.51  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL  
928-344-4222  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**



**DAY OF**

NOTARY PUBLIC NAME ROSA NEGRETE	
COUNTY NAME YUMA	
MONTH MARCH	.20 07

**MY COMMISSION EXPIRES**

Oct 26.07

X

  
SIGNATURE OF NOTARY PUBLIC